IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

INCOME TAX REFERENCE No. 151 of 1995

For Approval and Signature:

HONOURABLE MR.JUSTICE D.A.MEHTA Sd/-

HONOURABLE MS.JUSTICE H.N.DEVANI Sd/-

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1	Whether Reporters of Local Papers may be allowed to see the judgment ?
2	To be referred to the Reporter or not ?
3	Whether their Lordships wish to see the fair copy of the judgment ?
4	Whether this case involves a substantial question of law as to the interpretation of the constitution of India, 1950 or any order made thereunder ?
5	Whether it is to be circulated to the civil judge ?

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COMMISSIONER OF INCOME TAX - Applicant(s)
Versus
NAVDEEP INVESTMENTS PVT LTD - Respondent(s)

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Appearance :
MR TANVISH U BHATT for Applicant(s) : 1,
NOTICE SERVED for Respondent(s) : 1,

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CORAM : HONOURABLE MR.JUSTICE D.A.MEHTA
and
HONOURABLE MS.JUSTICE H.N.DEVANI

Date : 19/01/2006

ORAL JUDGMENT

(Per : HONOURABLE MS.JUSTICE H.N.DEVANI)

1 The Income Tax Appellate Tribunal, Ahmedabad Bench 'B' has referred the following question under section 256(1) of the Income Tax Act,1961 (the Act) at the instance of the Commissioner of Income Tax, in relation to Assessment Year 1984-85.

> *"Whether the appellate Tribunal is right in law and on facts in holding that the assessee was entitled to grant of relief u/s.80-M on the basis of gross dividend since the amount of interest paid was absolutely deductible in computing the income from business?"*

2 Heard Mr.T.U.Bhatt, learned Standing Counsel on behalf of the applicant-revenue. Though served there is no appearance on behalf of the

respondent-assessee.

3 It is an accepted position that a similar question has been decided by this Court by an order of even date in Income Tax Reference No.88 of 1995 (*The Commissioner of Income Tax Vs. Navdeep Investment (P) Ltd.*). For the reasons stated in the order dated 19/1/2006 in Income Tax Reference No.88 of 1995, the question referred is answered in the affirmative i.e. in favour of the assessee and against the revenue.

4 The reference stands disposed of accordingly with no order as to costs.

Sd/- Sd/-
(D.A.Mehta, J) (H.N.Devani, J)

m.m.bhatt